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PP RUEHCHI RUEHFK RUEHHM RUEHKSO RUEHPB

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FM AMEMBASSY TOKYO

TO RUEHC/SECSTATE WASHDC PRIORITY 5435

INFO RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION PRIORITY

RUEHFK/AMCONSUL FUKUOKA PRIORITY 5885

RUEHNH/AMCONSUL NAHA PRIORITY 8215

RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 9693

RUEHKSO/AMCONSUL SAPPORO PRIORITY 6397

RUEHGV/USMISSION GENEVA PRIORITY 3575

RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L TOKYO 001877

SIPDIS

STATE FOR EAP/J

STATE PLEASE PASS USDA FOR FAS/OCRA:ABURDETT

STATE PLEASE PASS USTR FOR WCUTLER AND MBEEMAN

E.O. 12958: DECL: 08/13/2019

TAGS: EAGR ETRD PREL JA

SUBJECT: DEBATE OVER FTAS AND AGRICULTURE FEATURE IN JAPAN'S ELECTION POLITICS

Classified By: Charge James P. Zumwalt, Reasons 1.4 (B) and (D).

¶11. (U) Summary: Japan's agricultural lobby has pushed the opposition DPJ back from an earlier election proposal that Japan negotiate an FTA with the U.S. This predictable reaction by agricultural interests against any threat to the status quo has not completely drowned out, however, public debate over the need for agricultural reform. End Summary.

¶12. (U) Since declaring in its July 31 campaign manifesto its intention to conclude a free trade agreement (FTA) with the U.S., the Democratic Party of Japan (DPJ) has been pressed by agricultural interests, specifically the Japan Agricultural Cooperatives (JA), to walk back from this position. The JA, which has deep financial interests in the domestic agricultural status quo, has engaged in an aggressive campaign to pressure the DPJ to repudiate an FTA with the U.S., and the LDP has also taken advantage of this opportunity to criticize the opposition proposal. As a result, prominent DPJ members have distanced themselves from the FTA proposal, and the DPJ recently issued a revision of its position, now saying it will promote negotiations, and arguing it had not meant it would include agriculture in its notional FTA negotiations with the U.S.

¶13. (U) Agricultural interest groups continue to oppose even the suggestion of negotiations as starting down a path that will undermine their determined maintenance of the status quo. JA rhetoric is that an FTA would require concessions by Japan on agriculture and that this would be the "death" of Japanese agriculture. The JA and other groups have therefore continued to issue statements criticizing the DPJ's proposals and JA held a large rally to express their opposition.

¶14. (SBU) In the meantime, a public opinion poll showed voter dissatisfaction with the lack of substantive policy discussions during the campaign. There have also been some thoughtful articles arguing serious reform is badly needed and in the long-term interest of both Japan and the agricultural sector itself. The importance of agricultural policy reform has been recognized by a growing number of opinion leaders and policy makers, but the difficulty remains how to "bell the cat" of Japan's agricultural lobby.

¶15. (C) Comment: The DPJ's current discomfort in this debate over FTA negotiations and agriculture appear to result from its hope to win support from some of the LDP's traditional supporters. The weakening of LDP support from agricultural lobbies seems to have started when the Koizumi government began looking at Japan's long-term prospects and discussing

reforms. In the near term, the DPJ may well increase its share of the rural vote, but JA as an institution is likely to remain loyal to the status quo and whatever political party is willing to maintain it. If the DPJ were successful in splitting that bloc, it could result in a further erosion over time of the influence of Japan's conservative agricultural lobby. End comment.

ZUMWALT